

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Idaho State Office  
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In Reply Refer To:  
9300 (933) P

August 13, 2003

EMS  
Instruction Memorandum No. ID-2003-090  
Expires: 09/30/2004

To: District Managers

From: State Director

Subject: Minimum Rental Rates for Land Tenure Actions

**Program Area:** Lands and Realty.

**Purpose:** A substantial amount of work by Idaho BLM appraisers involves the periodic re-appraisal of use permits on low value properties. The cost to provide rental estimates for these low value properties far exceeds the rental income received from them. The purpose of this memorandum is to establish a minimum rental rate on specific types of use permits which is based upon rental rates utilized by other land management agencies. The use of minimum rental rates, where appropriate, will reduce appraisal workloads and more efficiently manage appraisal costs.

**Policy/Action:** The District Managers are directed to continue providing completed appraisal requests for all realty permits or rights-of-way (R/W) requiring an estimated rental rate. The appraisal staff will determine whether the properties' rents will exceed the minimum rental rate and require an appraisal, or will be subject to one of the two minimum rental rates. Minimum rental rates are \$250 annually for residential and agricultural use properties, and \$500 annually for all non-residential or non-agricultural properties. The district will be notified in writing of the appropriate rental rate.

Minimum rental rates do not apply to authorizations covered by the linear R/W schedule (*43CFR2801-2(c)(1)(i) and 43CFR2883.1-2*), the communication site R/W schedule (*43CFR2803.1-2(d)*), minimum rents for municipal airports (*43CFR2911.1(e)*), or other programs with published rental rates. The minimum rental rate application does not apply to apiary sites and commercial film permits. Further, the results are not applicable in the estimation of market rental rates where the rental fees may exceed the cost to produce a Uniform Standard of Professional Appraisal Practice (USPAP) compliant appraisal.

Should the holder of a land use authorization desire the rent to be determined by appraisal rather than by the minimum rental rate, they may provide an appraisal report. The appraisal submitted by the holder must comply with BLM regulations for “Fee Appraisals Paid for by Private Parties” (*BLM Appraisal Manual 9310.64.A*). The appraisal should comply with both USPAP and the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).

The minimum rental value is an annual rental estimate reflecting a 12 month annual use by the holder of the authorization. Temporary Use Permits, adjustments for rental terms less than 12 months, and other uses may be adjusted by the approving authority, as provided in 43 CFR 2803.1.

**Timeframe:** This IM is in effect on the date of issuance.

**Background:** A 2002 Bureau of Land Management (BLM) Washington Office survey of state appraisal programs reveals the Idaho appraisal program currently has a substantially higher volume of work prepared by staff appraisers than other states’ appraisal programs. The majority of the extra volume of work done by Idaho was the valuation of properties with minimal values. Many of these appraisals involve properties with use permits which require another appraisal upon renewal of the permit every 3-5 years. The cost to produce rental rate estimates for these small valued properties substantially exceeds the rental income to be received from them. Many BLM state appraisal programs are reducing the staff appraisal workloads and managing appraisal costs by utilizing minimum rental rates for small, low-valued properties.

A survey of other federal, state, and private land management agencies has been conducted. Minimum rental rates have been developed for Idaho which are based upon rental rates utilized by other competitive land management agencies.

Increases in the volume of appraisal requests and decreasing budgets have required investigations into solutions which would reduce appraisal work load and costs. The minimum rental program is one currently utilized by many competing land management agencies. It allows BLM to continue to provide rental rate estimates on low-valued properties to the Districts without incurring substantial appraisal costs.

**Manual/Handbook Sections Affected:** This IM serves as interim guidance until Idaho Manual Supplement 9300 is issued.

**Coordination:** BLM Chief Appraisers in Washington/Oregon, Arizona/New Mexico, Montana, Wyoming, California, Nevada and Colorado.

**Contact:** If you have questions, please contact Don Dunn, Chief State Appraiser at (208) 373-3871.

**Lower Snake River District with Union:** No Union notification or negotiation required.

Signed by:  
K Lynn Bennett

Authenticated by:  
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